

EXECUTIVE SECRETARIAT**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
3	EXDIR				
4	D/ICS				
5	DDI		✓		
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC		✓		
10	GC				
11	IG				
12	Compt				
13	D/EO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20					
21					
22					
SUSPENSE		Date			

Remarks:


 Executive Secretary

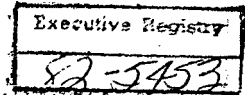
7/6/82

Date

3637 (10-81)



UNITED STATES DEPARTMENT OF COMMERCE
The Under Secretary for International Trade
Washington, D.C. 20230



JUL 6 1982

Honorable William J. Casey
Director
Central Intelligence Agency
Room 345 Old EOB
Washington, D.C. 20505

Dear Bill,

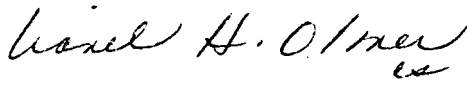
The Bureau of the Census will release shortly what I consider to be a startling report on Soviet trade; "startling" because it concludes that past estimates of Soviet dependence on foreign trade have been significantly off-base. This new information suggesting an unexpectedly high dependence on foreign trade has significant policy implications regarding the effectiveness of - and Soviet vulnerability to - economic sanctions.

The study, completed by the Census Bureau's Foreign Demographic Analysis Division, concludes that:

- Soviet imports from non-socialist countries has risen to about 50 percent of total imports in 1981 (up from about one-third ten years ago)
- The ratio of Soviet exports to national income is higher than had been believed earlier. In the 1970's exports (excluding gold) averaged about 6.5 percent of national income and rose to 7 percent by 1980.
- The ratio of Soviet imports to national income is several times higher than had been previously recognized. It rose from about 9 percent in 1970 to 20 percent by 1980.
- Imported machinery comprises from 15 to 20 percent of all newly installed equipment in the USSR.
- Imported consumer goods and agricultural products account for about 15 percent of all consumption.

In light of these findings, the old notion of Soviet self-sufficiency comes into serious question.

Sincerely,


Lionel H. Olmer



C140